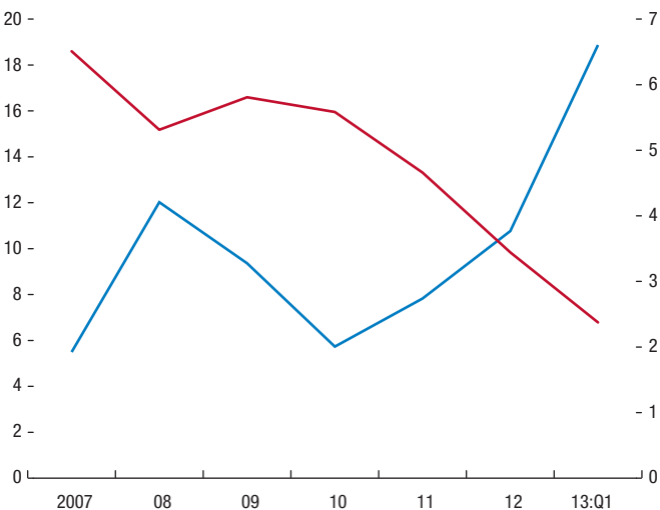


Figure 1.27. China: Corporate Sector Fundamentals

1. Profitability of Listed Nonfinancial Companies

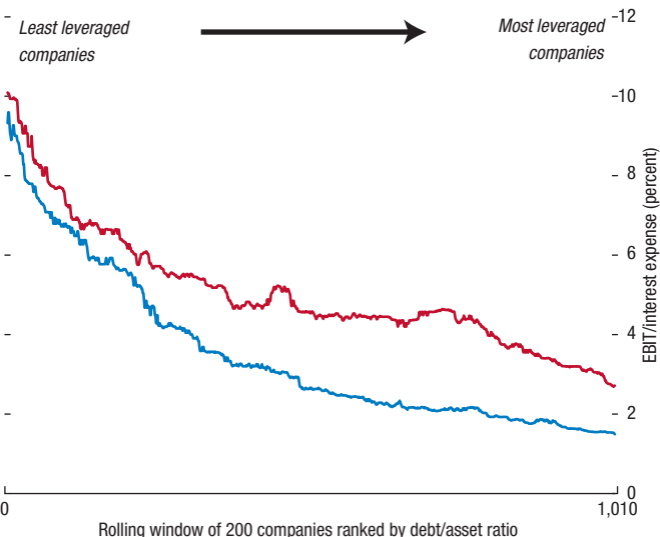
(Percent)

- Share of loss-making companies (based on negative RoA)
- Median return on assets (right scale)



2. Median EBIT/Interest Expense by Firm Leverage

— 2007 — 2012



Sources: WIND; and IMF staff calculations.

Note: EBIT = earnings before interest and taxes; firm leverage = total liabilities/total assets; RoA = return on assets. Top panel is computed for a balanced panel of 2,146 companies. Data for 2013:Q1 for the RoA are annualized, but may somewhat overstate the deterioration in performance, as a result of seasonal effects. Bottom panel is computed for a balanced panel of 1,210 nonfinancial companies.